

**Questions for Discussion of the
2004 Accelerated Renewable Energy Development Draft Staff White Paper**

IEPR and Renewables Committees Workshop on
Accelerated Renewable Energy Development
August 27, 2004

Questions on Chapter 4: Policy Issues for Central-station Renewables Development

1. Publicly owned electric utilities Renewables Portfolio Standard (RPS) plans
 - a. What steps are necessary for publicly owned electric utilities to reach 20 percent renewables by 2010?
 - b. Many publicly owned electric utilities have chosen to include large hydroelectric power in their RPS programs. What steps are needed to establish the SB 1038 and SB 1078 definitions of renewable energy for all RPS programs in the state?
2. Individual utility targets:
What is an acceptable level and methodology to equitably determine new individual targets?
3. Possible use of unbundled renewable energy certificates (RECs) in future RPS solicitations
 - a. What information is available on whether unbundled RECs create environmental justice issues?
 - b. What information is available on whether unbundled RECs increase the risk of market manipulation?
 - c. Beyond development of a regional RECs accounting system, what action should be taken to foster market credibility?
 - d. What opportunities are available to increase the efficiency of transmission upgrades or reduce the need for transmission expansion with the use of unbundled RECs?
 - e. Would unbundled RECs be a prudent option for electric service providers and community choice aggregators? Why or why not?
 - f. Do publicly owned electric utility programs allow unbundled RECs? What are the advantages and disadvantages of a policy which allows a subset of utilities to meet RPS targets with unbundled RECs?
4. Barriers to reaching 20 percent by 2010
 - a. What can be done to ensure that transmission access, permitting, development, and financing are in place for winning RPS bids?
 - b. If a project is delayed, what mechanisms are in place to select an alternative project to meet 20 percent renewables by 2010?

Questions on Chapter 5: Key Policy Issues for Distributed Generation Photovoltaic Energy Systems

5. Performance-based Incentives

- a. What are the advantages of a performance-based incentive relative to a capacity-based incentive? What are the disadvantages?
- b. How long should payments last and how much should be paid?
- c. Who should be eligible for incentives: purchasers? Retailers?
- d. Should a competitive bidding process be used? How should it be structured?
- e. What program design features should be in place to encourage a decrease in photovoltaic (PV) system costs over time?
- f. Should the current PV incentives be changed to a performance based incentive program? If so, when should the transition occur?
- g. Should the incentive structure vary by market segment? Some other factor?
- h. Who should administer performance-based incentive programs?

6. PV in new homes

- a. Building on the success of existing PV incentive programs, what are the next steps needed to further encourage PV in new homes?
- b. How can efforts to further encourage PV in new homes be better coordinated with developing rules for distributed generation in the RPS?

7. Net metering caps: The current cap of one-half of one percent could prevent achieving substantial penetration of PV in new homes. The cap may need to be increased to further the use of PV in new homes. What factors would encourage utilities to go beyond the current net metering cap?